

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7720

BILL NUMBER: HB 1798

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Academic honors diploma scholarships and awards.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		14,340,000	14,900,000
Net Increase (Decrease)		(14,340,000)	(14,900,000)

Summary of Legislation: This bill establishes the academic honors diploma scholarship program to provide a \$925 tuition scholarship at institutions of higher learning or proprietary education to students who graduate from high school with an academic honors diploma. It provides that the \$925 academic honors diploma award that a school corporation currently receives for each student who graduates with an academic honors diploma may be used by the school corporation for any purpose for which other funds of the school corporation may be used but may not be granted to the students who complete the honors diploma program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill creates the Academic Honors Diploma Scholarship Program. The bill provides a scholarship of \$925 to a student who graduates with an academic honors diploma. There are projected to be about 14,100 academic honors diplomas for the 2000-01 school year and 14,700 for the 2001-02 school year. The impact would be about \$13.04 M (14,100 students time \$925) for FY 2001-02 and \$13.6 M (14,700 students times \$925).

The Student Assistance Commission may have additional expenses associated with the administration of the approximately 14,500 scholarships. If the administration of the grants was about 10% of the grant then the impact would be about \$1.3 M.

The bill specifies that the cost of the scholarship will be paid from appropriations from the General Fund, but does not appropriate funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Student Assistance Commission

Local Agencies Affected:

Information Sources: Department of Education databases.